



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

February 20, 2004

Energy prices and supplies shown throughout this bulletin are from Tuesday, Feb. 17, 2004 unless otherwise noted. Also shown are energy data from a month ago, Jan. 19, 2004, and from a year ago, Feb. 17, 2003.

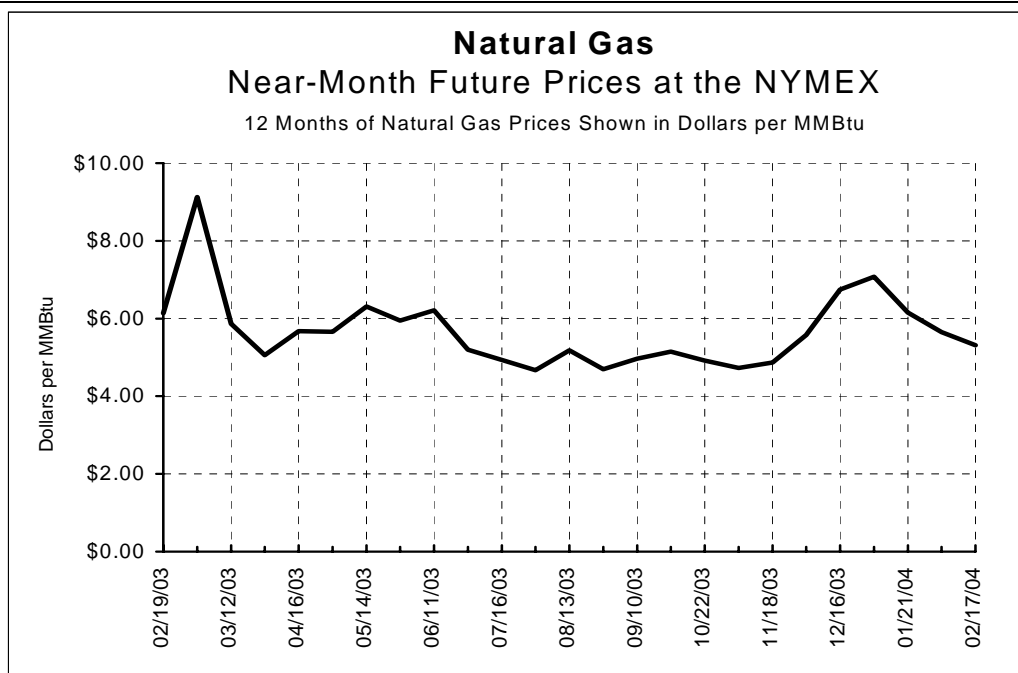
Heating Fuels

Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

Approximately 60 percent of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. From 1997 to 2000, Missouri electric utilities' use of natural gas increased by an annual average of 23 percent.

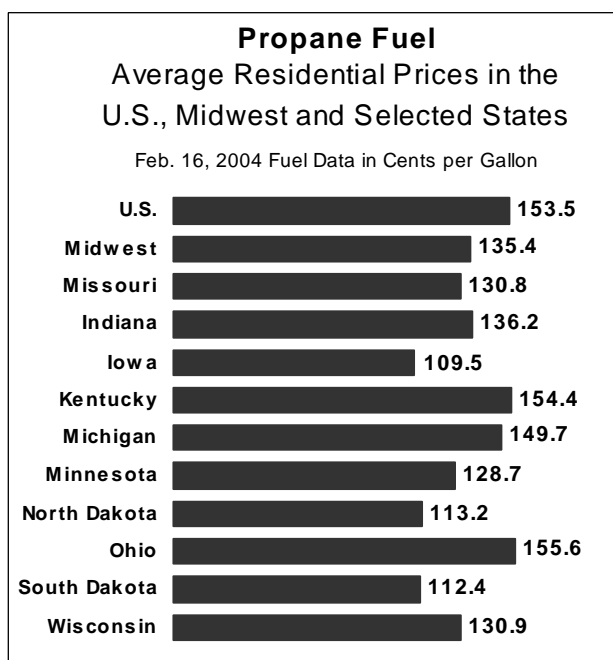
- The spot price for natural gas at the Henry Hub, throughout this last *month* (Jan. 21 to Feb. 17), decreased by 0.63 dollars per MMBtu (10 percent) moving from 6.23 to 5.60 dollars per MMBtu. Throughout this last *year* (Feb. 17, 2003 to Feb. 17, 2004), the price paid decreased by 0.50 dollars per MMBtu moving from 6.10 to 5.60 dollars per MMBtu, a decrease of 8 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Jan. 21 to Feb. 17), decreased by 0.83 dollars per MMBtu (14 percent) moving from 6.15 to 5.32 dollars per MMBtu. Throughout this last *year* (Feb. 19, 2003 to Feb. 17, 2004), the price paid decreased by 0.82 dollars per MMBtu moving from 6.13 to 5.32 dollars per MMBtu, a decrease of 13 percent. (Source: *Wall Street Journal*)
- Spot prices moved lower week-on-week for the third consecutive week, despite large increases on Friday (February 13) in response to weather forecasts calling for significant cold fronts in the Midwest and Northeast over the long holiday weekend. While temperatures did fall as predicted, they were not nearly as cold, nor as widespread or persistent as forecasted. With weather-related demand falling below expectations, combined with the significant drop in industrial demand over the long holiday weekend, prices encountered downward pressure when markets reopened on Tuesday (February 17), resulting in lower prices for the week at nearly every market location.
- Working gas inventories stood at 1,431 Bcf as of Friday, February 13, according to the EIA's Weekly Natural Gas Storage Report. This is 95 Bcf, or 6.2 percent, lower than the previous 5-year (1999-2003) average for the week and 263 Bcf, but 22.5 percent higher, than stock levels at this time last year.

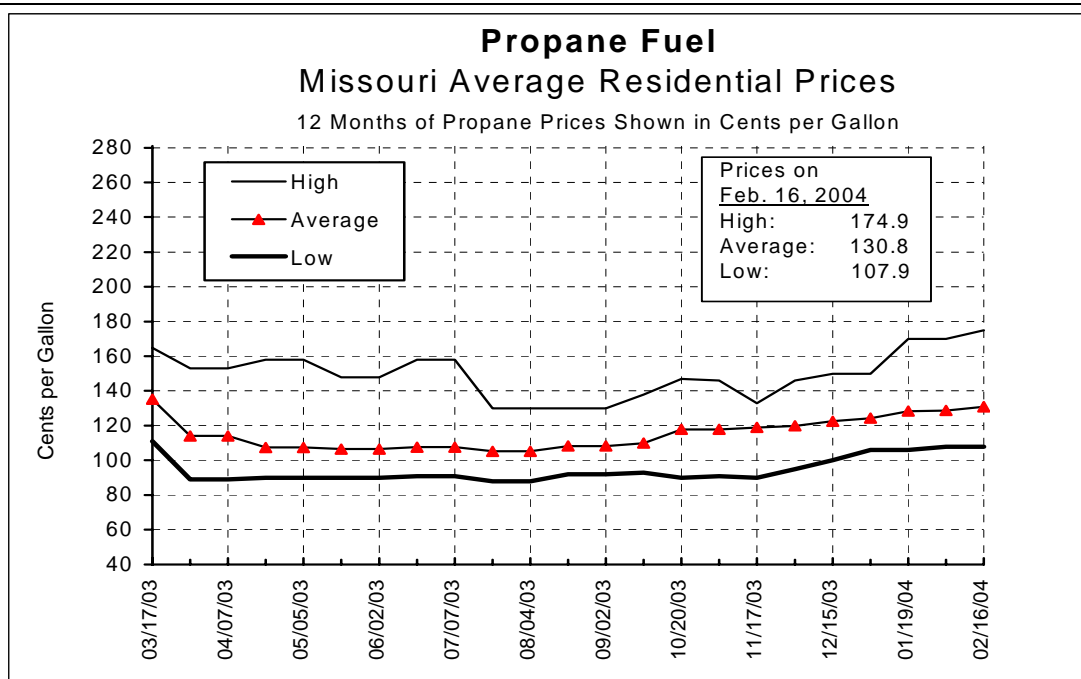


Propane

Approximately 12 percent of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles. In 2000, Missourians spent about \$459 million and used 455 million gallons of propane.

- The average price paid for residential propane in **Missouri**, throughout this last *month*, increased by 2.5 cents per gallon (2 percent) moving from 128.3 to 130.8 cents per gallon. Throughout this last *year*, the price paid for propane increased by 4.2 cents per gallon moving from 126.6 to 130.8 cents per gallon, an increase of 3 percent.
- Due to the cold weather, propane stocks in the **United States**, throughout this last *month* (Jan. 16 to Feb. 13), were down by 15.1 million barrels moving from 43.0 to 27.9 million barrels, a decrease of 35 percent. In the **Midwest**, stocks were down by 7.6 million barrels moving from 19.1 to 11.5 million barrels, a decrease of 40 percent.
- U.S. inventories remain about 2 million barrels above the same level at this time last year. Regionally, large declines continued in the Midwest from the cold weather last week with a 1.6-million-barrel draw that accounted for most of the weekly drop across the nation.





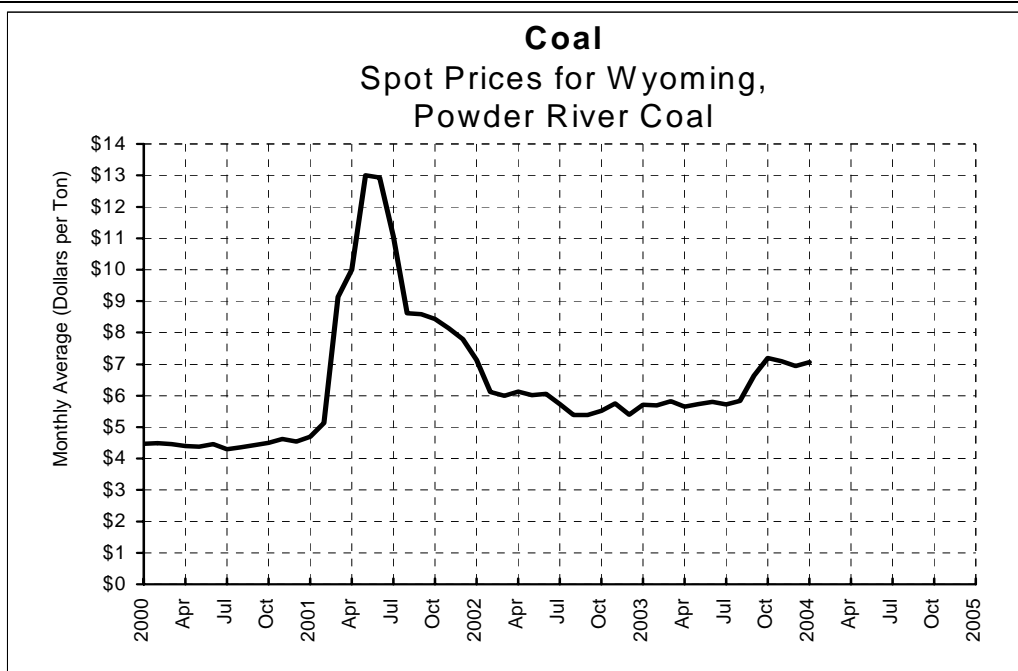
Residential Heating Oil

- The average price paid for residential heating oil in the **Midwest**, throughout this last *year*, decreased by 12.5 cents per gallon moving from 147.0 to 134.5 cents per gallon. In the **United States**, the average price paid decreased by 12.0 cents per gallon (7 percent) moving from 173.1 to 161.1 cents per gallon.
- Residential heating oil stocks in the **Midwest**, throughout this last *month* (Jan. 16 to Feb. 13), were down by 1.7 million barrels (20 percent) moving from 8.4 to 6.7 million barrels. In the **United States**, stocks were down by 11.4 million barrels (21 percent) moving from 55.3 to 43.9 million barrels.
- Residential heating oil stocks in the **Midwest**, throughout this last *year* (Feb. 14, 2003 to Feb. 13, 2004), were unchanged from 6.7 million barrels. In the **United States**, stocks were up by 3.9 million barrels (10 percent) moving from 40.0 to 43.9 million barrels.

Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last *month* (Dec. to Jan.), increased by 0.12 dollars (2 percent) moving from 6.94 to 7.06 dollars per ton. Throughout this last *year* (Jan. 2003 to Jan. 2004), the average price paid increased by 1.35 dollars moving from 5.71 to 7.06 dollars per ton, an increase of 24 percent. (Source: *Wyoming Insight*, Jan. 23, 2004)

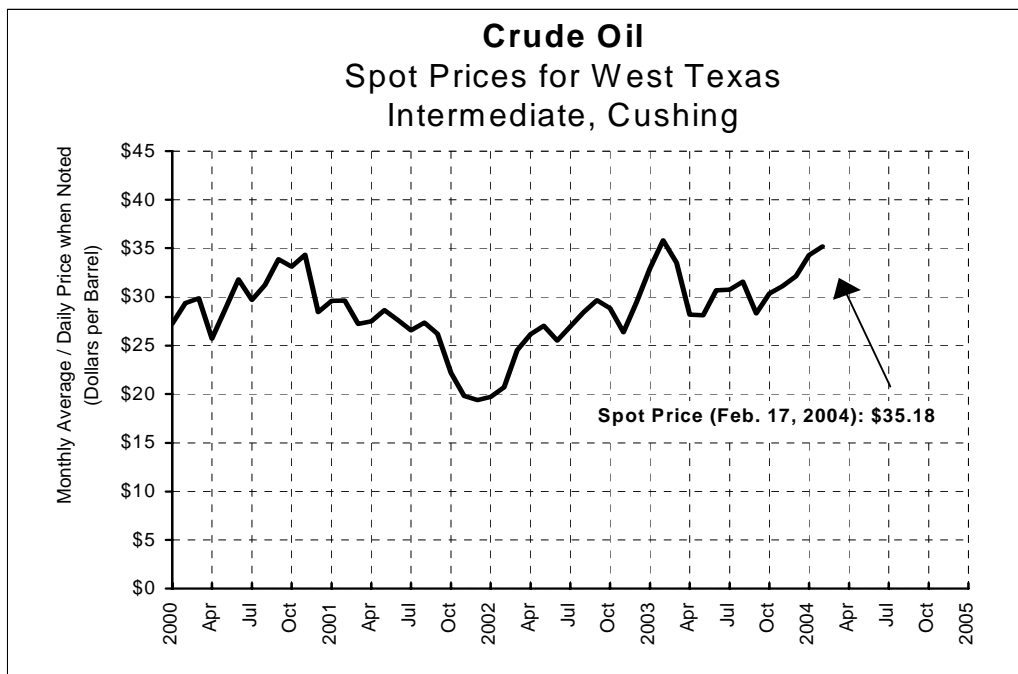


- Estimated coal production for the week ending Feb. 14, 2004 was 20.42 million short tons (mmst). This was 0.02 percent below the comparable week in 2003. Year-to-date U.S. coal production is estimated at 131.6 mmst, or 2.1 percent behind the corresponding total for 2003.
- Since mid-September, coal prices in general remain strong due to continued demand from the utility sector. High natural gas and crude oil prices are providing strong incentives for increased use of coal to generate electricity by U.S. utilities as more natural gas and heating oil is used for winter heating purposes.

Crude Oil

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Jan. 21 to Feb. 17), increased by 0.20 dollars per barrel (1 percent) moving from 34.98 to 35.18 dollars per barrel. Throughout this last *year* (Feb. 17, 2003 to Feb. 17, 2004), the spot price decreased by 1.80 dollars per barrel moving from 36.98 to 35.18 dollars per barrel, a decrease of 5 percent. (Source: *Wall Street Journal*)
- Over the last 4 weeks, crude oil imports have averaged between 8.4 and 10.5 million barrels per day. Over the last six weeks, the changes in commercial crude oil inventories have fluctuated around 270 million barrels. With crude oil refinery inputs apparently on the rise again (up 444,000 barrels per day over the last two weeks), U.S. crude oil imports will likely need to average about 10 million barrels per day as we move closer to spring, when U.S. refinery inputs typically increase sharply to levels 500,000+ barrels per day higher than current levels in order to supply more gasoline, just for crude oil inventories to remain near the current low level.
- At its February 10 meeting, members of OPEC announced a production cut of 1.5 million barrels per day beginning March 1 in an effort to curb over production. OPEC's production quota is currently set at 24.5 million barrels, however, OPEC members have been producing about 1.5 million barrels above

the self-imposed production level.



Transportation Fuels

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last *month*, increased by 0.9 cents per gallon (1 percent) moving from 150.2 to 151.1 cents per gallon. Throughout this last *year*, the price paid decreased by 5.0 cents per gallon moving from 156.1 to 151.1 cents per gallon, a decrease of 3 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last *month*, increased 5.3 cents per gallon (3 percent) moving from 159.5 to 164.8 cents per gallon. Throughout this last *year*, the price paid decreased by 1.2 cents per gallon, a decrease of 1 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last *month*, increased by 0.1 cents per gallon (less than 1 percent) moving from 149.5 to 149.6 cents per gallon. Throughout this last *year*, the price paid decreased by 13.3 cents per gallon moving from 162.9 to 149.6 cents per gallon, a decrease of 8 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last *month* (Jan. 16 to Feb. 13) were up by 0.2 million barrels (less than 1 percent) moving from 54.6 to 54.8 million barrels. In the **United States**, stocks were down by 4.5 million barrels moving from 209.5 to 205.0 million barrels, a decrease of 2 percent.

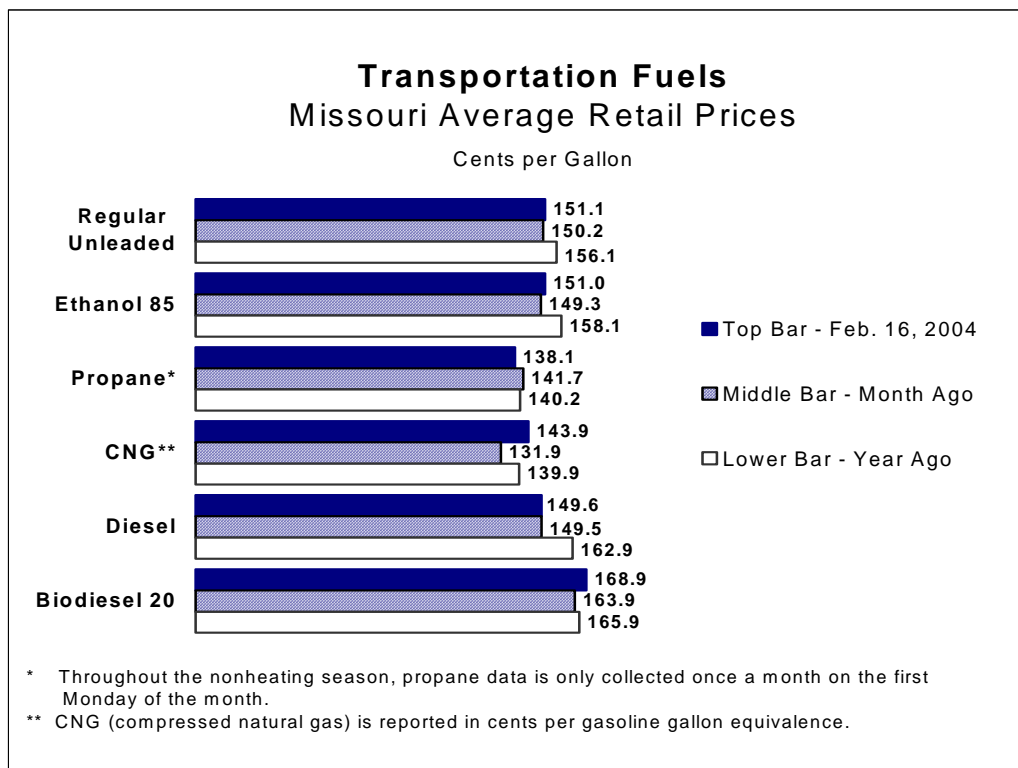
Regular Unleaded Gasoline

Average Retail Prices in the U.S.,
Midwest, Missouri and Missouri
Regions

Feb. 16, 2004 Fuel Data in Cents per Gallon

U.S.	164.8
Midwest	162.3
Missouri	151.1
Central, Mo.	149.9
Kansas City, Mo.	153.7
Northeast, Mo.	152.3
Northwest, Mo.	150.2
St. Louis, Mo.	152.5
Southeast, Mo.	153.7
Southwest, Mo.	148.3

- Total motor gasoline stocks in the **Midwest**, throughout this last year (Feb. 14, 2003 to Feb. 13, 2004), were up by 4.2 million barrels (8 percent) moving from 50.6 to 54.8 million barrels. In the **United States**, stocks were down by 6.2 million barrels moving from 211.2 to 205.0 million barrels, a decrease of 3 percent.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Energy Bulletin is a public resource that is made available to state government decision-makers, to any other interested individual upon request and on-line at the Energy Center Internet site. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration and Chicago Regional Office; the National Association of State Energy Officials the Missouri Propane Gas Association and the Propane Education and Research Council; the St. Louis AAA Auto Club; regional state energy offices; and, Missouri's energy retailers.